

RECEIVED
LEGISLATIVE AUDITOR
1999 DEC 28 AM 11:16

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

ACADIA-ST. LANDRY HOSPITAL
SERVICE DISTRICT
FINANCIAL REPORT
JUNE 30, 1999

Under provisions of the Louisiana
report is not to be made public. A
copy of this report is being submit-
ted to the Auditor General, the
city and parish governments and
officials. The report is available for
public inspection at the Baton
Rouge office of the Legislative Audi-
tor and, where appropriate, at the
office of the parish clerk of court.

Release Date 1-26-2000

C O N T E N T S

	Page
INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Balance sheets	2
Statements of revenue and expenses	3
Statements of changes in fund balance	4
Statements of cash flows	5
Notes to financial statements	6-10
INDEPENDENT AUDITORS' REPORT ON THE SUPPLEMENTARY INFORMATION	11
SUPPLEMENTARY INFORMATION	
Schedule of patient service revenue	13
Schedule of other operating revenue	14
Schedule of operating revenue and expenses	15
Schedule of departmental direct operating revenue and expenses	16 and 17
Schedule of departmental direct and general operating expenses	18-21
Schedule of board fees	22
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	23 and 24
Schedule of findings and questioned costs	25 and 26
Schedule of prior year findings	27



BROUSSARD, POCHE, LEWIS & BREAU, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

122 East 5th St.
P.O. Drawer 307
Crowley, Louisiana
70527-0307
phone: (318) 783-0650
fax: (318) 783-7238

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Acadia-St. Landry Hospital Service District
Church Point, Louisiana

Lafayette, LA
(318) 988-4930

Opelousas, LA
(318) 942-5217

Abbeville, LA
(318) 898-1497

New Iberia, LA
(318) 364-4554

Church Point, LA
(318) 684-2855

Eunice, LA
(318) 457-0071

We have audited the accompanying balance sheets of Acadia-St. Landry Hospital Service District as of June 30, 1999 and 1998, and the related statements of revenue and expenses, changes in fund balance, and cash flows for the years then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Acadia-St. Landry Hospital Service District as of June 30, 1999 and 1998, and the results of its operations, and cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated November 2, 1999, on our consideration of Acadia-St. Landry Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Crowley, Louisiana
November 2, 1999

Lawrence A. Cramer, CPA*
Eugene C. Gilder, CPA*
Donald W. Kelley, CPA*
Herbert Lemme II, CPA*
Frank A. Stagno, CPA*
Scott J. Broussard, CPA*
L. Charles Abshire, CPA*
Kenneth R. Dupas, CPA*
P. John Blanchet III, CPA*
Stephen E. Lambousy, CPA*
Craig C. Babineaux, CPA*
Peter C. Borrello, CPA*
Michael P. Crochet, CPA*
George J. Truppey III, CPA*
Daniel E. Gilder, CPA*
Gregory B. Milton, CPA*
S. Scott Soileau, CPA*
Patrick D. McCarthy, CPA*
Martha B. Wyatt, CPA*

Retired:

Sidney E. Broussard, CPA 1980
Leon K. Poche, CPA 1984
James H. Breau, CPA 1987
Erna R. Walton, CPA 1988
George A. Lewis, CPA* 1992
Geraldine J. Wimberly, CPA* 1995
Rodney L. Savoy, CPA* 1996
Larry G. Broussard, CPA* 1996

Members of American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

BALANCE SHEETS
June 30, 1999 and 1998

ASSETS	<u>1999</u>	<u>1998</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 701,456	\$ 193,934
Certificates of deposit	1,180,661	1,449,445
Patient accounts receivable, less allowance for uncollectible accounts of \$335,000 and \$325,000 at 1999 and 1998, respectively	1,122,036	1,291,813
Inventories	107,313	107,554
Prepaid expenses	33,422	35,619
Due from intermediary on cost reports	321,307	497,598
Other receivables	<u>139,436</u>	<u>128,633</u>
Total current assets	\$3,605,631	\$3,704,596
FIXED ASSETS		
Property, plant, and equipment, at cost, less accumulated depreciation of \$1,996,017 and \$1,774,008 at 1999 and 1998, respectively	<u>2,246,285</u>	<u>2,414,179</u>
	<u>\$5,851,916</u>	<u>\$6,118,775</u>
 LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable	\$ 704,636	\$ 647,656
Other accrued expenses	149,922	138,807
Capital lease payable	<u>15,656</u>	<u>16,195</u>
Total current liabilities	<u>\$ 870,214</u>	<u>\$ 802,658</u>
LONG-TERM LIABILITIES		
Capital lease payable	<u>\$ 36,772</u>	<u>\$ 53,810</u>
FUND BALANCE		
Contributed capital	\$ 174,330	\$ 174,330
Unrestricted fund balance	<u>4,770,600</u>	<u>5,087,977</u>
Total fund balance	<u>\$4,944,930</u>	<u>\$5,262,307</u>
	<u>\$5,851,916</u>	<u>\$6,118,775</u>

See Notes to Financial Statements.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

STATEMENTS OF REVENUE AND EXPENSES
 Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Operating revenue:		
Net patient service revenue	\$ 6,151,676	\$ 6,194,019
Other operating revenue	<u>87,466</u>	<u>81,356</u>
Total operating revenue	<u>\$ 6,239,142</u>	<u>\$ 6,275,375</u>
Operating expenses:		
Salaries	\$ 2,135,704	\$ 2,053,716
Professional fees	688,494	1,140,244
Other departmental expenses	3,298,489	3,613,647
Interest	7,149	4,467
Depreciation & amortization	222,010	217,627
Provision for uncollectible accounts	<u>453,146</u>	<u>467,925</u>
	<u>\$ 6,804,992</u>	<u>\$ 7,497,626</u>
Deficiency of operating revenue over operating expenses	<u>\$ (565,850)</u>	<u>\$ (1,222,251)</u>
Nonoperating revenue (expenses):		
Property tax receipts	\$ 157,895	\$ 160,605
Interest income	<u>90,578</u>	<u>95,681</u>
	<u>\$ 248,473</u>	<u>\$ 256,286</u>
Deficiency of revenues over expenses	<u>\$ (317,377)</u>	<u>\$ (965,965)</u>

See Notes to Financial Statements.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

STATEMENTS OF CHANGES IN FUND BALANCE
 Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<u>Unrestricted Fund</u>		
Fund balance, beginning	\$5,087,977	\$6,053,942
Additions:		
Deficiency of revenues over expenses	<u>(317,377)</u>	<u>(965,965)</u>
Fund balance, ending	<u>\$4,770,600</u>	<u>\$5,087,977</u>

See Notes to Financial Statements.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

STATEMENTS OF CASH FLOWS
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss	\$ (565,850)	\$ (1,222,251)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	222,010	217,627
(Increase) decrease in assets:		
Patient accounts receivable	169,777	(166,714)
Inventories	241	(26,333)
Prepaid expenses	2,197	11,028
Intermediary receivable on cost reports	176,291	(88,337)
Other receivables	(10,803)	(8,945)
Increase (decrease) in liabilities:		
Accounts payable	56,980	153,592
Other accrued expenses	<u>11,115</u>	<u>13,702</u>
Net cash provided (used) in operating activities	<u>\$ 61,958</u>	<u>\$ (1,116,631)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property tax receipts	<u>\$ 157,895</u>	<u>\$ 160,605</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	\$ (54,116)	\$ (75,743)
Purchase of certificates of deposit	(2,761,710)	(3,162,659)
Proceeds from maturities of certificates of deposit	3,030,494	4,087,208
Interest on certificates of deposit	<u>90,578</u>	<u>95,681</u>
Net cash provided by investing activities	<u>\$ 305,246</u>	<u>\$ 944,487</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on capital lease	<u>\$ (17,577)</u>	<u>\$ (15,418)</u>
Net increase (decrease) in cash and cash equivalents	\$ 507,522	\$ (26,957)
Cash and cash equivalents, beginning	<u>193,934</u>	<u>220,891</u>
Cash and cash equivalents, ending	<u>\$ 701,456</u>	<u>\$ 193,934</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for interest	<u>\$ 7,149</u>	<u>\$ 4,467</u>

The Hospital entered into a capital lease obligation of \$85,423 for new equipment in 1998.

See Notes to Financial Statements.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Description of Organization and Summary of Significant Accounting Policies

The following is a summary of the Service District's significant accounting policies:

Organization:

Acadia-St. Landry Hospital Service District is a political subdivision of the State created by an ordinance adopted by the Acadia and St. Landry Parish Police Juries.

Operation:

From October 1, 1986 to March 31, 1991, the hospital facility which Acadia-St. Landry Hospital Service District owns, operated as a hospital under a lease agreement between the Hospital Service District and Our Lady of Lourdes Hospital of Lafayette. Beginning on April 1, 1991, the lease agreement was terminated and the Hospital Service District began operations of its own.

Net patient revenue:

Net patient revenue is reported at the estimated net realizable amounts from patients, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Inventories:

Inventories are valued at the latest invoice price which approximates the lower of cost (first-in, first-out method) or market.

Property, plant, and equipment:

Property, plant, and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives as explained further in Note 3.

Proprietary fund accounting:

The District utilizes the proprietary fund method of accounting whereby revenue and expenses are recognized on the accrual basis. Substantially all revenues and expenses are subject to accrual.

NOTES TO FINANCIAL STATEMENTS

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Allowance for uncollectible accounts:

The Hospital uses the allowance method of recognizing the cost for bad debts. This method provides an estimate of the loss that is applicable to current year revenue, and any adjustment in previous estimates of prior year losses that may be applicable to accounts still remaining on the books.

Cash and cash equivalents:

For purposes of the statement of cash flows, the Hospital Service District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Note 2. Health Insurance Program Reimbursement

The Hospital participates in Medicare and Medicaid programs as a provider of medical services to program beneficiaries. During the year ended June 30, 1999 and 1998, approximately 88.72% and 82.4%, respectively, of the Hospital's gross patient service revenues were furnished to Medicare and Medicaid program beneficiaries. Revenues derived from the Medicare and Medicaid programs are subject to audit and adjustment by the fiscal intermediary and must be accepted by the Department of Health and Human Services and Department of Health and Hospitals, State of Louisiana, before settlement amounts become final.

Note 3. Depreciation of Property and Equipment

A summary of depreciable assets and their estimated life for depreciation purposes are as follows:

	Method	Life (Years)	Cost	
			1999	1998
Buildings and improvements	SL	15-50	\$2,584,432	\$2,576,594
Chapel	SL	5-15	8,372	8,372
Equipment	SL	3-10	1,529,473	1,483,196
Land	-	-	<u>120,025</u>	<u>120,025</u>
			\$4,242,302	\$4,188,187
Less accumulated depreciation			<u>1,996,017</u>	<u>1,774,008</u>
			<u>\$2,246,285</u>	<u>\$2,414,179</u>

NOTES TO FINANCIAL STATEMENTS

Note 4. Ad Valorem Taxes

On October 3, 1992, the taxpayers of the Hospital Service District approved a 7 mill tax for a ten year period for the purpose of acquiring, constructing, improving, maintaining and operating the hospital facilities, which will run through the year 2002.

Note 5. Deposits and Investments

For reporting purposes, cash and cash equivalents include cash and certificates of deposit. The Service District may invest in United States bonds, treasury notes, or certificates of deposit of state banks having their office in the State of Louisiana, or any other federally insured investment. The Service District may also invest in shares of any homestead and building and loan association in any amount not exceeding the federally insured amount. The deposits at June 30, 1999, were as follows:

	<u>Bank Balance</u>	<u>FDIC Insurance</u>	<u>Balance Uninsured</u>
Demand deposits	\$ 914,643	\$ 135,981	\$ 778,662
Certificates of deposit	<u>1,207,612</u>	<u>200,000</u>	<u>1,007,612</u>
	<u>\$2,122,255</u>	<u>\$ 335,981</u>	\$1,786,274
 Securities pledged and held by the custodial bank in the Bank's name (Category III)			 <u>2,560,250</u>
 Excess of FDIC insurance plus pledged securities over deposits in financial institutions			 <u>\$ 773,976</u>

Note 6. Concentrations of Credit Risk

The District grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at June 30, 1999 and 1998 was as follows:

	<u>1999</u>	<u>1998</u>
Medicare	51.7%	48.7%
Medicaid	15.7	30.9
Other third-party payors	17.9	12.4
Patients	<u>14.7</u>	<u>8.0</u>
	<u>100.0%</u>	<u>100.0%</u>

NOTES TO FINANCIAL STATEMENTS

Note 7. Commitments and Contingencies

Litigation:

The District is involved in litigation arising in the normal course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the District's future financial position or results from operations. This litigation is being covered by the Hospital's insurance.

Note 8. Leases

The Hospital has entered into a lease agreement for financing the acquisition of an IBM AS/400 computer system and APS software under lease agreements. These leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments.

The assets acquired through capital leases are as follows:

IBM AS/400 computer system	\$ 47,123
APS software	<u>38,300</u>
	<u>\$ 85,423</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 1999 were as follows:

<u>Year Ending June 30</u>	<u>IBM AS/400 Computer System</u>	<u>APS Software</u>
2000	\$ 10,491	\$ 8,900
2001	10,491	8,900
2002	<u>10,490</u>	<u>8,901</u>
	\$ 31,472	\$ 26,701
Less: Amounts representing interest	<u>2,771</u>	<u>2,974</u>
Present value of minimum lease payments	<u>\$ 28,701</u>	<u>\$ 23,727</u>

The above IBM AS/400 computer lease includes \$3,563 for maintenance agreement.

NOTES TO FINANCIAL STATEMENTS

Note 9. Year 2000 Issue

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Hospital Service District's operations as early as fiscal year 1999.

Acadia-St. Landry Hospital Service District has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 Issue and that are necessary to conducting the Hospital's operations. Based on this inventory, the Hospital is in the remediation stage, making changes to the Accounts Receivable, General Ledger, and payroll systems and updating equipment to make it year 2000 compliant. Testing and validation of the systems will need to be completed.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Hospital is or will be year 2000 ready, that the Hospital's remediation efforts will be successful in whole or in part, or that parties with whom the Hospital does business will be year 2000 ready.

Note 10. Subsequent Event

In July 1999, the Hospital Service District entered into a joint venture with Acadian Homecare, Inc., to form Acadia-St. Landry Hospital Home Health, LLP in order to provide home health services to the patients of the District. The Hospital Service District has a 50% participation in the joint venture.



BROUSSARD, POCHE', LEWIS & BREAU, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

122 East 5th St.
P.O. Drawer 307
Crowley, Louisiana
70527-0307
phone: (318) 783-0650
fax: (318) 783-7238

INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Commissioners
Acadia-St. Landry Hospital Service District
Church Point, Louisiana

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis of the basic financial statements rather than to present the financial position, results of operations, and cash flows of the District. The supplementary information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Lawrence A. Cramer, CPA*
Eugene C. Gilder, CPA*
Donald W. Kelley, CPA*
Herbert Lemonte II, CPA*
Frank A. Stagno, CPA*
Scott J. Broussard, CPA*
L. Charles Abshire, CPA*
Kenneth R. Dugas, CPA*
P. John Blanchet III, CPA*
Stephen L. Lambousy, CPA*
Craig C. Babineaux, CPA*
Peter C. Borrello, CPA*
Michael P. Crochet, CPA*
George J. Trappay III, CPA*
Daniel E. Gilder, CPA*
Gregory B. Milton, CPA*
S. Scott Souleau, CPA*
Patrick D. McCarthy, CPA*
Martha B. Wyatt, CPA*

Crowley, Louisiana
November 2, 1999

Retired:

Sidney L. Broussard, CPA 1980
Leon K. Poche, CPA 1984
James H. Breau, CPA 1987
Erna K. Walton, CPA 1988
George A. Lewis, CPA* 1992
Geraldine J. Wumberly, CPA* 1995
Rodney L. Savoy, CPA* 1996
Larry G. Broussard, CPA* 1996

Members of American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

This page is intentionally left blank.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

SCHEDULE OF PATIENT SERVICE REVENUE
 Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Gross patient direct services	\$ 9,599,551	\$ 9,055,796
Less:		
Contractual allowances	\$(3,295,724)	\$(2,750,969)
Administrative adjustments	<u>(152,151)</u> <u>(3,447,875)</u>	<u>(110,808)</u> <u>(2,861,777)</u>
Net patient services	<u>\$ 6,151,676</u>	<u>\$ 6,194,019</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

SCHEDULE OF OTHER OPERATING REVENUE
 Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cafeteria	\$ 11,323	\$ 10,014
Collection fee income	-	6
Service charges	-	3,199
Vending machine commissions	2,733	2,320
Recovery of bad debts	36,868	28,075
Other	<u>36,542</u>	<u>37,742</u>
	<u>\$ 87,466</u>	<u>\$ 81,356</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

SCHEDULE OF OPERATING REVENUE AND EXPENSES
 Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Direct operating revenue	\$ 9,599,551	\$ 9,055,796
Direct operating expenses	<u>4,507,668</u>	<u>4,973,246</u>
	\$ 5,091,883	\$ 4,082,550
Contractual allowances and administrative adjustments	<u>3,447,875</u>	<u>2,861,777</u>
	<u>\$ 1,644,008</u>	<u>\$ 1,220,773</u>
General operating expenses:		
General services	\$ 502,228	\$ 582,820
Fiscal and administration	<u>1,112,791</u>	<u>1,251,541</u>
	<u>\$ 1,615,019</u>	<u>\$ 1,834,361</u>
Other operating revenue	<u>\$ 87,466</u>	<u>\$ 81,356</u>
Other operating expenses:		
Interest	\$ 7,149	\$ 4,467
Depreciation	222,010	217,627
Provision for uncollectible accounts	<u>453,146</u>	<u>467,925</u>
	<u>\$ 682,305</u>	<u>\$ 690,019</u>
Deficiency of operating revenue over operating expenses	<u>\$ (565,850)</u>	<u>\$ (1,222,251)</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

SCHEDULE OF DEPARTMENTAL DIRECT
OPERATING REVENUE AND EXPENSES
Years Ended June 30, 1999 and 1998

	<u>Inpatient Revenue</u>		<u>Outpatient Revenue</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
Direct services:				
Anesthesiology	\$ 258	\$ -	\$ 1,845	\$ 3,075
Audiometry	28	-	(28)	94
Central supply	227,838	255,488	251,520	204,504
CT scan	99,333	44,044	211,102	85,603
Daily patient services	836,085	712,120	-	-
Electrocardiology	92,020	80,842	205,635	181,655
Electroence phalography	780	1,300	2,860	7,020
Emergency room	12,899	11,030	115,867	116,064
Emergency room physician	-	-	215,387	213,608
Gastro	7,350	12,600	85,050	93,635
Health and fitness center	-	-	34,512	34,551
Home health	-	-	450,320	601,167
Intravenous therapy	68,666	54,405	11,182	12,692
Kidmed	-	-	11,006	8,944
Laboratory	288,077	363,978	445,078	386,865
Nuclear medicine	10,230	5,324	12,440	14,775
Occupational therapy	400	175	23,750	16,500
Operating room	3,850	5,725	72,125	66,200
Other	134	403	939	2,173
Pharmacy	751,673	624,435	93,301	128,782
Physical therapy	44,020	49,136	111,663	117,236
Physician office	-	-	-	-
Psychiatric therapy group	6,995	3,290	964,210	937,375
Psychiatric unit	2,622,514	2,519,987	26,075	12,381
Radiology	36,141	33,451	139,125	149,647
Recovery room	-	-	2,909	-
Respiratory therapy Clinic	375,831	471,108	244,606	163,285
Clinic - pharmacy	68,919	2,230	155,317	110,684
Speech therapy	-	-	7,181	3,169
Stress test	11,523	12,578	46,115	42,953
Ultrasound	9,040	1,040	12,080	16,040
	15,675	10,175	56,100	50,255
	<u>\$5,590,279</u>	<u>\$5,274,864</u>	<u>\$4,009,272</u>	<u>\$3,780,932</u>

<u>Total Direct Revenue</u>		<u>Direct Operating Expenses</u>		<u>Direct Revenue Over (Under) Direct Operating Expenses</u>	
<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
\$ 2,103	\$ 3,075	\$ 1,532	\$ 200	\$ 571	\$ 2,875
-	94	-	-	-	94
479,358	459,992	94,730	117,059	384,628	342,933
310,435	129,647	77,433	57,319	233,002	72,328
836,085	712,120	519,016	715,899	317,069	(3,779)
297,655	262,497	124,123	109,372	173,532	153,125
3,640	8,320	3,468	5,870	172	2,450
128,766	127,094	18,409	12,370	110,357	114,724
215,387	213,608	337,620	592,886	(122,233)	(379,278)
92,400	106,235	-	-	92,400	106,235
34,512	34,551	57,042	51,733	(22,530)	(17,182)
450,320	601,167	205,491	298,762	244,829	302,405
79,848	67,097	16,802	23,915	63,046	43,182
11,006	8,944	483	-	10,523	8,944
733,155	750,843	330,668	311,183	402,487	439,660
22,670	20,099	16,227	12,282	6,443	7,817
24,150	16,675	14,791	7,512	9,359	9,163
75,975	71,925	34,815	37,893	41,160	34,032
1,073	2,576	70	140	1,003	2,436
844,974	753,217	246,723	206,006	598,251	547,211
155,683	166,372	86,069	92,692	69,614	73,680
-	-	10,792	4,205	(10,792)	(4,205)
971,205	940,665	738,166	632,006	233,039	308,659
2,648,589	2,532,368	982,771	1,160,990	1,665,818	1,371,378
175,266	183,098	124,765	104,959	50,501	78,139
2,909	-	-	-	2,909	-
620,437	634,393	106,614	177,557	513,823	456,836
224,236	112,914	283,519	177,705	(59,283)	(64,791)
7,181	3,169	-	-	7,181	3,169
57,638	55,531	26,049	24,440	31,589	31,091
21,120	17,080	-	591	21,120	16,489
71,775	60,430	49,480	37,700	22,295	22,730
<u>\$9,599,551</u>	<u>\$9,055,796</u>	<u>\$4,507,668</u>	<u>\$4,973,246</u>	<u>\$5,091,883</u>	<u>\$4,082,550</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

SCHEDULE OF DEPARTMENTAL DIRECT
AND GENERAL OPERATING EXPENSES
Years Ended June 30, 1999 and 1998

	<u>Salaries</u>		<u>Professional Fees</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
Direct services:				
Anesthesiology	\$ -	\$ -	\$ -	\$ -
Central supply	35,505	29,358	-	-
CT scan	-	-	1,996	34,903
Daily patient services	470,643	562,778	23,736	128,975
Electrocardiology	-	-	115,056	99,139
Electroencephalography	-	-	3,195	5,870
Emergency room	-	-	-	-
Emergency room physicians	145,216	41,006	192,404	551,880
Health and fitness center	53,655	48,642	345	-
Home health	177,962	244,673	10,970	21,719
Intravenous therapy	-	-	-	-
Kidmed	-	-	-	-
Laboratory	121,729	105,682	71,813	68,884
Nuclear medicine	-	-	16,227	12,282
Occupational therapy	-	-	14,148	7,512
Operating room	-	-	8,759	11,000
Other	-	-	70	140
Pharmacy	81,880	71,689	-	-
Physical therapy	-	-	86,069	92,692
Physician office	-	-	-	-
Psychiatric therapy group	34,699	12,323	-	-
Psychiatric unit	9,725	35,205	3,273	3,024
Radiology	79,859	67,997	330	4,299
Respiratory therapy	79,538	90,530	2,285	-
Health clinic	264,616	166,658	11,497	5,710
Speech therapy	-	-	26,049	24,355
Stress test	-	-	-	-
Ultrasound	-	-	49,480	37,700
	<u>\$1,555,027</u>	<u>\$1,476,541</u>	<u>\$ 637,702</u>	<u>\$1,110,084</u>
General services:				
Dietary	\$ 60,462	\$ 64,087	\$ 6,240	\$ 6,700
Housekeeping	48,793	64,564	-	-
Laundry and linen	-	-	-	-
Plant engineering	38,929	62,399	-	-
	<u>\$ 148,184</u>	<u>\$ 191,050</u>	<u>\$ 6,240</u>	<u>\$ 6,700</u>
Subtotals forward	<u>\$1,703,211</u>	<u>\$1,667,591</u>	<u>\$ 643,942</u>	<u>\$1,116,784</u>

<u>Other Expenses</u>		<u>Total</u>	
<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
\$ 1,532	\$ 200	\$ 1,532	\$ 200
59,225	87,701	94,730	117,059
75,437	22,416	77,433	57,319
24,637	24,146	519,016	715,899
9,067	10,233	124,123	109,372
273	-	3,468	5,870
18,409	12,370	18,409	12,370
-	-	337,620	592,886
3,042	3,091	57,042	51,733
16,559	32,370	205,491	298,762
16,802	23,915	16,802	23,915
483	-	483	-
137,126	136,617	330,668	311,183
-	-	16,227	12,282
643	-	14,791	7,512
26,056	26,893	34,815	37,893
-	-	70	140
164,843	134,317	246,723	206,006
-	-	86,069	92,692
10,792	4,205	10,792	4,205
703,467	619,683	738,166	632,006
969,773	1,122,761	982,771	1,160,990
44,576	32,663	124,765	104,959
24,791	87,027	106,614	177,557
7,406	5,337	283,519	177,705
-	85	26,049	24,440
-	591	-	591
-	-	49,480	37,700
<u>\$2,314,939</u>	<u>\$2,386,621</u>	<u>\$4,507,668</u>	<u>\$4,973,246</u>
\$ 90,195	\$ 93,821	\$ 156,897	\$ 164,608
17,123	16,339	65,916	80,903
22,441	18,681	22,441	18,681
<u>218,045</u>	<u>256,229</u>	<u>256,974</u>	<u>318,628</u>
<u>\$ 347,804</u>	<u>\$ 385,070</u>	<u>\$ 502,228</u>	<u>\$ 582,820</u>
<u>\$2,662,743</u>	<u>\$2,771,691</u>	<u>\$5,009,896</u>	<u>\$5,556,066</u>

(continued)

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

SCHEDULE OF DEPARTMENTAL DIRECT
AND GENERAL OPERATING EXPENSES
Years Ended June 30, 1999 and 1998

	<u>Salaries</u>		<u>Professional Fees</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
Subtotals forwarded	<u>\$1,703,211</u>	<u>\$1,667,591</u>	<u>\$ 643,942</u>	<u>\$1,116,784</u>
Fiscal and administrative services:				
Accounting	\$ 68,436	\$ 97,363	\$ -	\$ -
Administration	80,436	74,700	5,047	5,500
Business office	144,123	99,059	-	-
Medical records	64,612	57,814	-	-
Payroll taxes	-	-	-	-
Employee benefits	-	-	-	-
Physician recruitment	-	-	-	-
Other general and administrative expenses	<u>74,886</u>	<u>57,189</u>	<u>17,439</u>	<u>17,960</u>
	<u>\$ 432,493</u>	<u>\$ 386,125</u>	<u>\$ 22,486</u>	<u>\$ 23,460</u>
 Total	 <u>\$2,135,704</u>	 <u>\$2,053,716</u>	 <u>\$ 666,428</u>	 <u>\$1,140,244</u>

<u>Other Expenses</u>		<u>Total</u>	
<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
<u>\$2,662,743</u>	<u>\$2,771,691</u>	<u>\$5,009,896</u>	<u>\$5,556,066</u>
\$ 2,539	\$ 4,901	\$ 70,975	\$ 102,264
41,369	136,198	126,852	216,398
44,935	51,817	189,058	150,876
14,651	12,345	79,263	70,159
155,951	153,115	155,951	153,115
141,181	127,438	141,181	127,438
5,850	57,266	5,850	57,266
<u>251,336</u>	<u>298,876</u>	<u>343,661</u>	<u>374,025</u>
<u>\$ 657,812</u>	<u>\$ 841,956</u>	<u>\$1,112,791</u>	<u>\$1,251,541</u>
<u>\$3,320,555</u>	<u>\$3,613,647</u>	<u>\$6,122,687</u>	<u>\$6,807,607</u>

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

SCHEDULE OF BOARD FEES
Years Ended June 30, 1999 and 1998

Each board member is paid \$40 for attendance at each board meeting.

<u>Board Members</u>	<u>1999</u>	<u>1998</u>
Philip Smith	<u>\$480</u>	<u>\$440</u>
Jean Voitier	<u>\$440</u>	<u>\$440</u>
George Brouillette	<u>\$480</u>	<u>\$400</u>
John LeJeune	<u>\$480</u>	<u>\$400</u>
Ward Bellard, M.D.	<u>\$480</u>	<u>\$400</u>
Paul Matte	<u>\$440</u>	<u>\$440</u>



BROUSSARD, POCHE', LEWIS & BREAU, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

122 East 5th St.
P.O. Drawer 307
Crowley, Louisiana
70527-0307
phone: (318) 783-0650
fax: (318) 783-7238

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Lafayette, LA
(318) 988-4930
Opelousas, LA
(318) 942-5217
Abbeville, LA
(318) 898-1497
New Iberia, LA
(318) 364-4554
Church Point, LA
(318) 684-2855
Eunice, LA
(318) 457-0071

To the Board of Commissioners
Acadia-St. Landry Hospital Service District
Church Point, Louisiana

We have audited the financial statements of the Acadia-St. Landry Hospital Service District as of and for the year ended June 30, 1998, and have issued our report thereon dated November 2, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Acadia-St. Landry Hospital Service District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Acadia-St. Landry Hospital Service District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting.

Lawrence A. Cramer, CPA*
Eugene C. Gilder, CPA*
Donald W. Kelley, CPA*
Herbert Lemoine II, CPA*
Frank A. Stiggo, CPA*
Scott J. Broussard, CPA*
L. Charles Abshire, CPA*
Kenneth R. Dugas, CPA*
P. John Blanchet III, CPA*
Stephen L. Lambousy, CPA*
Craig C. Babineaux, CPA*
Peter C. Borriello, CPA*
Michael P. Crochet, CPA*
George J. Tappay III, CPA*
Daniel E. Gilder, CPA*
Gregory B. Milton, CPA*
S. Scott Soileau, CPA*
Patrick D. McCarthy, CPA*
Martha B. Wyatt, CPA*

Retired:

Sidney L. Broussard, CPA 1980
Leon K. Poche, CPA 1984
James H. Breau, CPA 1987
Erna R. Walton, CPA 1988
George A. Lewis, CPA* 1992
Geraldine J. Wimberly, CPA* 1995
Rodney L. Savoy, CPA* 1996
Larry G. Broussard, CPA* 1996


*Members of American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants*

To the Board of Commissioners
Acadia-St. Landry Hospital Service District

However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Acadia-St. Landry Hospital Service District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 1999-1 and 1999-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe items 1999-1 and 1999-2 described in the accompanying schedule of findings and questioned costs to be material weaknesses.

This report is intended for the information of management and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



Crowley, Louisiana
November 2, 1999

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 1999

We have audited the financial statements of Acadia-St. Landry Hospital Service District as of and for the year ended June 30, 1999, and have issued our report thereon dated November 2, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 1999 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards

The District does not have any federal awards.

Section II Financial Statement Findings

1999-1 Account Receivable - Collection Posting Procedures

Finding: During the course of the audit, we discovered a deficiency in the posting of receipts by the Hospital's business office to include but not limited to:

1. Improper posting of Medicare and Medicaid remittance advices, cash transactions, as well as discounts.
2. Inadequate communication with accounting department when corrections are made to patient accounts for prior period errors.

Cause: Inadequate reconciliation of account receivable collection postings.

Recommendation: Development and implementation of a reconciliation process of account receivable collections to general ledger postings.

Response: A reconciliation process of account receivable collections to general ledger postings will be developed and implemented.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 1999

Section II Financial Statement Findings (continued)

1999-2 Healthcare Compliance Program

Finding: An effective compliance program as recommended by the Office of Inspector General, that has internal controls to promote adherence to applicable federal and state law, and the program requirements of federal, state and private health plans is not in place.

Recommendation: Development of an effective compliance program as recommended by the Office of Inspector General, that has internal controls to promote adherence to applicable federal and state law, and the program requirements of federal, state, and private health plans.

Response: Acadia-St. Landry Hospital Service District is in the process of developing an effective compliance program in order to adhere to applicable federal and state law, and the program requirements of federal, state and private health plans. The Service District has appointed a compliance officer, and has started the process of identifying and implementing policies and procedures.

ACADIA-ST. LANDRY HOSPITAL SERVICE DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended June 30, 1999

I Internal Control and Compliance Material to the Financial Statements

1998-1 Billing and Collection Procedures

Management should develop a compliance program that would encompass the implementation and monitoring of adequate filing and collection policies, procedures, and controls. Management should also use the published recommendation of the Inspector General.

Management has developed and implemented internal control policies and procedures dealing with the billing and collection process. See 1999-2 finding dealing with an effective compliance program in accordance with the Office of the Inspector General.

II Internal Control and Compliance Material to Federal Awards

The prior year's report did not include any federal awards.

III Management Letter

1998-2 Year 2000 Computer Issue

Management should develop a process to identify all possible equipment that can be influenced by the year 2000. After identification of equipment influenced by this issue, an effective action plan should be implemented.

The Service District is in the remediation stage, making changes to, converting, or replacing existing systems and equipment to make them year 2000 compliant. The Service District will then enter the validation and testing stage, validating and testing changes made in the remediation stage, including review of test results.

1998-3 Contract for Partial Day Psychiatric Program

Management should keep detailed records for the liability to the contractor to be current and reconciled to the specific collections and accounts to be considered collectible.

Resolved.

ACADIA-ST. LANDRY HOSPITAL

810 SOUTH BROADWAY

CHURCH POINT, LOUISIANA 70525

(318) 684-5435

FAX: (318) 684-5449

MANAGEMENT'S CORRECTIVE ACTION PLAN

Year Ended June 30, 1999

Section I: Internal Control and Compliance Material to the Financial Statements

1999-1 Accounts Receivable - Posting Procedures

Recommendation: Development and implementation of a reconciliation process of accounts receivable collections to general ledger postings.

Response: A reconciliation process of accounts receivable collections to general ledger postings will be developed and implemented.

Responsible party: Brenda Pourcaiu

1999-2 Healthcare Compliance Program

Recommendation: Development of an effective compliance program as recommended by the Office of Inspector General, that has internal controls to promote adherence to applicable federal and state laws, and the program requirements of federal, state, and private health plans.

Response: Acadia-St. Landry Hospital is in the process of developing an effective compliance program in order to adhere to applicable federal and state law, and the program requirements of federal, state, and private health plans. The Service District has appointed a compliance officer and has started the process of identifying and implementing policies and procedures.

Responsible party: Mike Regan